

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;  
Nanci E. Langley, Vice Chairman;  
Mark Acton; and  
Robert G. Taub

Redfield Post Office  
Redfield, New York

Docket No. A2011-86

ORDER AFFIRMING DETERMINATION

(Issued January 18, 2012)

I. INTRODUCTION

On December 15, 2011, the Postal Service advised the Commission that it “will delay the closing or consolidation of any Post Office until May 15, 2012.”<sup>1</sup> The Postal Service further indicated that it “will proceed with the discontinuance process for any Post Office in which a Final Determination was already posted as of December 12, 2011, including all pending appeals.” *Id.* It stated that the only “Post Offices” subject to closing prior to May 16, 2012 are those that were not in operation on, and for which a Final Determination was posted as of, December 12, 2011. *Id.* It affirmed that it “will not close or consolidate any other Post Office prior to May 16, 2012.” *Id.* at 2. Lastly, the Postal Service requested the Commission “to continue adjudicating appeals as provided in the 120-day decisional schedule for each proceeding.” *Id.*

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<sup>1</sup> United States Postal Service Notice of Status of the Moratorium on Post Office Discontinuance Actions, December 15, 2011, at 1 (Notice).

The Postal Service's Notice outlines the parameters of its newly announced discontinuance policy. Pursuant to the Postal Service's request, the Commission will fulfill its appellate responsibilities under 39 U.S.C. § 404(d)(5).

On September 23, 2011, Kathleen M. Gallo, Martha A. Harvey, and Tanya M. Yerdon, on behalf of the Redfield Citizens Committee, (Petitioners) filed a petition with the Commission seeking review of the Postal Service's Final Determination to close the Redfield, New York post office (Redfield post office).<sup>2</sup> The Final Determination to close the Redfield post office is affirmed.

## II. PROCEDURAL HISTORY

On September 28, 2011, the Commission established Docket No. A2011-86 to consider the appeal, designated a Public Representative, and directed the Postal Service to file its Administrative Record and any responsive pleadings.<sup>3</sup>

On October 11, 2011, the Postal Service filed the Administrative Record with the Commission.<sup>4</sup> The Postal Service also filed comments requesting that the Commission affirm its Final Determination.<sup>5</sup>

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<sup>2</sup> Petition for Review received from Kathleen M. Gallo, Martha A. Harvey, and Tanya M. Yerdon on behalf of the Redfield Citizens Committee (Petitioners) regarding the Redfield, New York post office 13437, September 23, 2011 (Petition).

<sup>3</sup> Order No. 878, Notice and Order Accepting Appeal and Establishing Procedural Schedule, September 28, 2011.

<sup>4</sup> The Administrative Record is filed with the United States Postal Service Notice of Filing, October 11, 2011; see *also* United States Postal Service Notice of Filing, December 16, 2011 (Administrative Record). The Administrative Record includes, as Item No. 47, the Final Determination to Close the Redfield, NY Post Office and Extend Service by Rural Route Service (Final Determination).

<sup>5</sup> United States Postal Service Comments Regarding Appeal, November 17, 2011 (Postal Service Comments).

Petitioners filed a participant statement supporting their Petition.<sup>6</sup> On December 5, 2011, the Public Representative filed a reply brief.<sup>7</sup> The Public Representative also filed supplemental comments.<sup>8</sup>

The Petition included an application for suspension of the Postal Service's determination. The Administrative Record indicates the Postal Service will take no action on closure pending the outcome of the appeal. Administrative Record, Item No. 51.

### III. BACKGROUND

The Redfield post office provides retail postal services and service to 77 post office box or general delivery customers and 173 delivery route customers. Final Determination at 2. The Redfield post office, an EAS-11 level facility, has retail access hours of 8:30 a.m. to 12:30 p.m. and 2:30 p.m. to 4:30 p.m., Monday through Friday, and 9:00 a.m. to 11:00 a.m. on Saturday. Lobby access hours are the same as retail access hours. *Id.*

The postmaster position became vacant on February 26, 2004 when the Redfield postmaster retired. An officer-in-charge (OIC) was installed to operate the post office. *Id.* Retail transactions average 14 transactions daily (15 minutes of retail workload). Post office receipts for the last 3 years were \$28,476 in FY 2008; \$26,051 in FY 2009; and \$23,930 in FY 2010. There was one permit mailer or postage meter customer. By closing this post office, the Postal Service anticipates savings of \$40,337 annually. *Id.* at 9.

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<sup>6</sup> Participant Statement received from Redfield Citizens Committee, October 27, 2011 (Participant Statement).

<sup>7</sup> Reply Brief of the Public Representative, December 5, 2011 (PR Reply Brief). The reply brief was accompanied by Motion of Public Representative for Late Acceptance of Reply Comments, December 5, 2011. The motion is granted.

<sup>8</sup> Public Representative Supplemental Comments in Response to Postal Service Notice, January 3, 2012. The supplemental comments were accompanied by Motion of Public Representative for Leave to File Supplemental Comments, January 3, 2012. The motion is granted.

After the closure, retail services will be provided by the Williamstown post office located approximately 8 miles away.<sup>9</sup> *Id.* at 2. Delivery service will be provided by rural carrier through the Williamstown post office. The Williamstown post office is an EAS-16 level post office, with retail hours of 8:30 a.m. to 11:30 a.m. and 1:00 p.m. to 4:30 p.m., Monday through Friday, and 9:30 a.m. to 11:30 a.m. on Saturday. Ninety-two (92) post office boxes are available. The Postal Service will continue to use the Redfield name and ZIP Code. *Id.* at 7, Concern No. 1.

#### IV. PARTICIPANT PLEADINGS

*Petitioners.* Petitioners oppose the closure of the Redfield post office arguing that the Postal Service is violating 39 U.S.C. § 101(b) which provides that no small post office shall be closed solely for operating at a deficit.

They argue that the Postal Service failed to calculate additional mileage costs or explain the carbon footprint which would result from the expanded rural route. Petitioners state the Postal Service failed to analyze possible impact under the National Environmental Policy Act, 42 U.S.C. § 4331 *et. seq.* (NEPA), despite the fact that the closure of the post office and the expanded rural route delivery would likely have environmental impact.

Petitioners contend that the Postal Service failed to appoint a postmaster in a timely fashion (the OIC was in charge for 7 years) and then cited the vacancy of the postmaster as one of the reasons for closure.

They argue that the analysis of retail activities at the Redfield post office was flawed; the Postal Service analyzed transaction activities for February 2011, but stamp sales alone were significantly higher in other months, such as June 2011.

Finally, Petitioners assert that closure of rural post offices reflects a mere 0.7 percent of cost savings to the Postal Service. Petition at 1-3.

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<sup>9</sup> MapQuest estimates the driving distance between the Redfield and Williamstown post offices to be approximately 9.6 miles (13 minutes driving time).

In the Participant Statement, Petitioners argue that the savings of \$40,337 calculated by the Postal Service is inflated. They add that five rural route extensions had not been finalized and that residents were “in limbo.” Petitioners noted that many residents who received their medications by mail were worried about the safety of medications left in mailboxes. Finally, Petitioners were concerned about the lack of parking available at the Williamstown post office. Participant Statement at 5-6.

*Postal Service.* The Postal Service argues that the Commission should affirm its determination to close the Redfield post office. Postal Service Comments at 2. The Postal Service believes the appeal raises three main issues: (1) the effect on postal services; (2) the impact on the Redfield community; and (3) the economic savings expected to result from discontinuing the Redfield post office. *Id.* at 1. The Postal Service asserts that it has given these and other statutory issues serious consideration and concludes that the determination to discontinue the Redfield post office should be affirmed. *Id.* at 15.

The Postal Service explains that its decision to close the Redfield post office was based on several factors, including:

- the postmaster vacancy;
- a minimal workload and declining office revenue;
- a variety of other delivery and retail options (including the convenience of rural delivery and retail service);
- minimal impact on the community; and
- expected financial savings.

*Id.* at 5. The Postal Service contends that it will continue to provide regular and effective postal services to the Redfield community when the Final Determination is implemented. *Id.*

The Postal Service also asserts that it has followed all statutorily required procedures and has addressed the concerns raised by Petitioners regarding the effect

on postal services, the effect on the Redfield community, economic savings, and the effect on postal employees. *Id.* at 1-2.

The Postal Service responds to specific arguments expressed in the Petition and the Participant Statement. In response to Petitioners' section 101(b) argument, the Postal Service states that it considered that requirement in the context of the overall Postal Service policy of providing "a maximum degree of effective and regular postal service," which included an analysis of revenue and workload. Postal Service Comments at 12.

The Postal Service notes that under 39 CFR § 775.6(b)(15) a post office discontinuance action is categorically exempted from any requirement to complete a NEPA environmental assessment. Postal Service Comments at 7-8.

The Postal Service states that concerns about rural route delivery, safety of medications delivered by mail, and parking issues at Williamstown have already been addressed in the Administrative Record. *Id.* at 8-9.

Finally, the Postal Service states that the economic savings it has projected, despite Petitioners' disagreement with those findings, have been calculated as required for discontinuance studies. *Id.* at 14.

*Public Representative.* The Public Representative argues that the Postal Service's Final Determination is seriously flawed and that the analysis fails to satisfy the arbitrary and capricious standard. He contends the findings are not supported by substantial evidence. The Public Representative recommends that the Final Determination be remanded to the Postal Service for further consideration. PR Reply Brief at 12.

Specifically, the Public Representative states that the Postal Service did not provide adequate notice to affected customers at the Williamstown post office. *Id.* at 5-7. Furthermore, the Postal Service inflated the calculation of economic savings. *Id.* at 6. He recommends that the cost savings be reduced by the amount of the OIC's salary. *Id.* at 11.

Finally, he asserts that the Postal Service was unresponsive to Petitioners' and customers' concerns about safety and parking issues at the Williamstown post office. *Id.* at 8. The Postal Service's failure to consider these factors results in an "arbitrary and capricious" decision. *Id.* at 9.

## V. COMMISSION ANALYSIS

The Commission's authority to review post office closings is provided by 39 U.S.C. § 404(d)(5). That section requires the Commission to review the Postal Service's determination to close or consolidate a post office on the basis of the record that was before the Postal Service. The Commission is empowered by section 404(d)(5) to set aside any determination, findings, and conclusions that it finds to be (a) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law; (b) without observance of procedure required by law; or (c) unsupported by substantial evidence in the record. Should the Commission set aside any such determination, findings, or conclusions, it may remand the entire matter to the Postal Service for further consideration. Section 404(d)(5) does not, however, authorize the Commission to modify the Postal Service's determination by substituting its judgment for that of the Postal Service.

### A. Notice to Customers

Section 404(d)(1) requires that, prior to making a determination to close any post office, the Postal Service must provide notice of its intent to close. Notice must be given 60 days before the proposed closure date to ensure that patrons have an opportunity to present their views regarding the closing. The Postal Service may not take any action to close a post office until 60 days after its determination is made available to persons served by that post office. 39 U.S.C. § 404(d)(4). A decision to close a post office may be appealed within 30 days after the determination is made available to persons served by the post office. 39 U.S.C. § 404(d)(5).

The Administrative Record indicates the Postal Service took the following steps in reaching its Final Determination. On May 6, 2011, the Postal Service distributed questionnaires to customers regarding the possible change in service at the Redfield post office. Final Determination at 2. A total of 79 questionnaires were distributed and 34 were returned. On May 16, 2011, the Postal Service held a community meeting at the Redfield post office to address customer concerns and 24 customers attended. *Id.*

The Postal Service posted the proposal to close the Redfield post office with an invitation for comments at the Redfield and Williamstown post offices from June 3, 2011 through August 4, 2011. Final Determination at 2. The Final Determination was posted at the same two post offices from August 23, 2011 through September 24, 2011. *Id.* at 1.

The Public Representative notes that the Postal Service procedural rules require that the Proposal be posted in each affected post office. However, he states, “the Administrative Record is devoid of evidence that the Proposal was posted at the Williamstown Post Office.” PR Reply Brief at 6-7. In response, the Postal Service states that it properly posted its Proposal at both the Redfield and Williamstown post offices. It subsequently provided a copy of a round date-stamped Proposal cover sheet for the Williamstown post office, which also indicates that the document was included in the Administrative Record at Item 36, and properly filed with the Commission.

The Postal Service has satisfied the notice requirements of 39 U.S.C. § 404(d).

#### B. Other Statutory Considerations

In making a determination on whether or not to close a post office, the Postal Service must consider the following factors: the effect on the community; the effect on postal employees; whether a maximum degree of effective and regular postal service will be provided; and the economic savings to the Postal Service. 39 U.S.C. § 404(d)(2)(A). The Postal Service must also comply with the provisions of 39 U.S.C. § 101(b), which prohibits closing any small post office solely for operating at a deficit.



*Effect on the community.* Redfield, New York is an unincorporated community located in Oswego County, New York. Administrative Record, Item No. 47 at 7. The community is administered politically by the Town Supervisor. Police protection is provided by the Oswego County Sheriff. Fire protection is provided by the Redfield Fire Department. The community is comprised of retirees, the self-employed, and those who work in local businesses or commute to work in nearby communities. *Id.* Residents may travel to nearby communities for other supplies and services. See *generally* Administrative Record, Item No. 22 (returned customer questionnaires and Postal Service response letters).

As a general matter, the Postal Service solicits input from the community by distributing questionnaires to customers and holding a community meeting. The Postal Service met with members of the Redfield community and solicited input from the community with questionnaires. In response to the Postal Service's proposal to close the Redfield post office, customers raised concerns regarding the effect of the closure on the community. Their concerns and the Postal Service's responses are summarized in the Final Determination. Final Determination at 7-9.

Among other things, the Postal Service indicates that it is helping to preserve the community's identity by continuing to use the Redfield post office name and ZIP Code in addresses. Further, it avers that the Redfield community will continue to receive regular and effective postal services and that nonpostal services will continue to be available at the Williamstown post office. *Id.*; see also Postal Service Comments at 9-11.

The Postal Service has adequately considered the effect of the post office closing on the community as required by 39 U.S.C. § 404(d)(2)(A)(i).

*Effect on employees.* The Postal Service states that the Redfield postmaster retired on February 26, 2004 and that an OIC has operated the Redfield post office since then. Postal Service Comments at 14-15. It asserts that after the Final Determination is implemented, the temporary OIC will either be reassigned or separated and that no other Postal Service employee will be adversely affected. *Id.*

The Commission finds that the Postal Service has considered the possible effects of the post office closing on the OIC when it stated that the OIC may be reassigned or separated. The Postal Service has satisfied its obligation to consider the effect of the closing on employees at the Redfield post office as required by 39 U.S.C. § 404(d)(2)(A)(ii).

*Effective and regular service.* The Postal Service contends that it has considered the effect the closing will have on postal services provided to Redfield customers. *Id.* at 9. It asserts that customers of the closed Redfield post office may obtain retail services at the Williamstown post office located 8 miles away. Final Determination at 2. Delivery service will be provided by rural carrier through the Williamstown post office. The Redfield post office box customers may obtain Post Office Box service at the Williamstown post office, which has 92 boxes available. *Id.*

For customers choosing not to travel to the Williamstown post office, the Postal Service explains that retail services will be available from the carrier. *Id.* at 2. The Postal Service adds that it is not necessary to meet the carrier for service since most transactions do not require meeting the carrier at the mailbox. *Id.* at 3.

Petitioners argue that the Postal Service did not consider the potential carbon footprint associated with additional rural carrier services and did not perform an environmental assessment in accordance with NEPA. Petition at 2. The Postal Service correctly responds that post office discontinuance actions are exempt from NEPA requirements. Postal Service Comments at 7-8.

Petitioners' and customers' concerns about rural route determination, mailbox security, and parking safety at the Williamstown post office were addressed in the record. *Id.* at 8-9. Specifically, the Postal Service advised customers that locks could be put on mailboxes, and that customers need not travel to the Williamstown post office if they did not wish to, since most transactions could be handled by the rural carrier. *Id.* Further, the Postal Service responds that the majority of customer transactions can be handled by rural carrier. *Id.* at 9.

The Public Representative asserts that the Postal Service was unresponsive to customer concerns about parking availability at the Williamstown post office and did not consider available information about parking safety. He argues that the failure to consider these factors renders the determination to close the Redfield post office arbitrary and capricious. PR Reply Brief at 8-9. The Postal Service responds that it conducted a site study at Williamstown as part of its discontinuance proposal and determined that adequate customer parking was available. Postal Service Comments at 9.

The Postal Service has considered the issues raised by customers concerning effective and regular service as required by 39 U.S.C. § 404(d)(2)(A)(iii).

*Economic savings.* The Postal Service estimates total annual savings of \$40,337. Final Determination at 9. It derives this figure by summing the following costs: postmaster salary and benefits (\$44,279) and annual lease costs (\$5,031), minus the cost of replacement service (\$8,973). *Id.*

Petitioners contend that the economic savings are erroneous because the OIC salary is less than that of a postmaster and OIC's do not receive fringe benefits. Participant Statement at 5. Furthermore, Petitioners assert that the estimated savings are inflated because rural carrier service will result in additional mileage costs. Petition at 2. Petitioners also state that the Postal Service's overall projected cost savings are only 0.7 percent. *Id.*

The Postal Service responds that although 63 additional boxes are expected to be added to the Redfield Highway Contract Route, extending service to those boxes is not expected to increase the route's mileage. Postal Service Comments at 13. Furthermore, with respect to the 0.7 percent savings, the Postal Service notes that the savings from any given initiative might seem small, but such savings make a difference when added together. *Id.*

The Public Representative agrees with the Petitioners that the Postal Service's calculated savings are inflated because they assume the full postmaster salary and benefits, rather than the lesser OIC salary. PR Reply Brief at 10. The Public

Representative notes that the OIC had been in place for 7 years, and so any calculations of benefits from the closing of the Redfield post office should begin with the elimination of costs currently being incurred. *Id.* Furthermore, if the OIC is transferred to another post office, rather than being separated from the Postal Service, then the OIC salary should not be calculated as a cost savings. *Id.* at 11.

The Commission has previously observed that the Postal Service should include in its estimate of savings those costs likely to be eliminated by the closing. The Redfield postmaster retired on February 26, 2004. Final Determination at 9. The post office has since been staffed by a non-career OIC who, upon discontinuance of the post office, may be separated from the Postal Service. The postmaster position and the corresponding salary will be eliminated. Postal Service Comments at 14. (“It [is] appropriate to use a career Postmaster’s salary in the calculation, because the career position would have ultimately been filled if the Redfield Post Office had not been a candidate for discontinuance”). Furthermore, notwithstanding that the Redfield post office has been staffed by an OIC for nearly 8 years, even assuming the use of the presumably lower OIC salary, the Postal Service would have satisfied the requirements of section 404(d)(2)(A)(iv).

The Postal Service has satisfied the requirement that it consider economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv).

*Section 101(b).* Section 101(b) prohibits closing any small post office solely for operating at a deficit. Petitioners allege that the Postal Service is closing the Redfield post office solely for economic reasons. Petition at 1-2.

To be sure, economics plays a role in the Postal Service’s decision. However, the Commission is not prepared to conclude that the Postal Service’s determination violates section 101(b). In addition to considering workload at the Redfield post office (revenues declining and averaging only 14 retail transactions per day), the Postal Service took into account other factors such as the postmaster vacancy, the minimal impact on the community, and expected financial savings. In addition, it considered the alternate delivery and retail options available to customers. Final Determination at 10.

The Postal Service did not violate the prohibition in section 101(b) on closing the Redfield post office solely for operating at a deficit.

## VI. CONCLUSION

The Postal Service has adequately considered all requirements of 39 U.S.C. § 404(d). Accordingly, the Postal Service's determination to close the Redfield post office is affirmed.

*It is ordered:*

The Postal Service's determination to close the Redfield, New York post office is affirmed.

By the Commission.

Shoshana M. Grove  
Secretary

## DISSENTING OPINION OF CHAIRMAN GOLDWAY

The Administrative Record is inaccurate with regard to economic savings. As such, the Postal Service has not adequately considered economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv).

The Postal Service argues that savings should be calculated based on a full-time postmaster's salary. Yet the Redfield post office has been operated by an officer-in-charge (OIC) since the former postmaster retired nearly 8 years ago, on February 26, 2004. On the one hand, the Postal Service argues that the effect on employees of this closing will be minimal because only an OIC will be eliminated; yet on the other hand, it argues that the savings should be calculated using a full-time position.

There are inherent and blatant contradictions in the record that must be corrected on remand.

It is not the statutory responsibility of the Commission to correct the Administrative Record for the Postal Service and certainly not to make its own surmise about what and/or whether there would be savings if accurate data was in the Administrative Record. Therefore, the decision to close should be remanded to the Postal Service to correct the Administrative Record and present a more considered evaluation of potential savings.

Further, customers have raised concerns about the adequacy and safety of parking at the Williamstown post office. As the Public Representative noted in his brief, the Administrative Record does not seem to adequately address these safety concerns. As a result, the Postal Service has not adequately addressed the effect on the community. 39 U.S.C. § 404(d)(2)(A)(i).

The Administrative Record identifies an inaccurate distance to the replacement

post office in Williamstown, New York. The actual driving distance, according to the map, is 12.7 miles. The Postal Service recently announced a moratorium on post office closings. The Postmaster General has indicated that reconsideration of closure will be provided for rural post offices under the moratorium and legislation has been introduced in Congress to prevent closing post offices that are 10 miles or more from the nearest post office.

It is confusing and perhaps unfair to require some citizens whose post offices have received a discontinuance notice as of December 12, 2011 and are in remote rural areas to gather evidence and pursue an appeal to the Commission, while others whose post offices are located in rural areas and were in the review process, but had not yet received a discontinuance notice by December 12, 2011 have the respite of a 5-month moratorium.

The citizens of Redfield, New York and their concerns regarding the loss of a neighborhood post office should be afforded the same opportunity to be heard and considered as the citizens of the approximately 3,700 post offices fully covered by the moratorium.

Ruth Y. Goldway

## DISSENTING OPINION OF VICE CHAIRMAN LANGLEY

The Postal Service did not adequately comply with 39 U.S.C. § 404.

Under section 243 of the Postal Service's Handbook PO-101, August 2004, if a decision is made to continue proceeding with a discontinuance investigation, the Operations manager must "then develop a questionnaire and send it to customers for additional information and comments."

The Redfield post office provides service to 77 post office box holders and 173 delivery customers. Final Determination at 2. However, the Final Determination states that "79 questionnaires were distributed to delivery customers of the Redfield post office." *Id.* It appears that 171 customers were not sent the questionnaire, which denied them the opportunity to present their views on the Administrative Record.

In addition, the Postal Service did not adequately consider the economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service should take into consideration that a non-career postmaster relief (PMR) has been in charge of this facility since February 2004, not an EAS-11 postmaster, and reflect the PMR's salary and benefits in its cost savings analysis. As a government entity, the Postal Service should ensure that its cost/benefit analysis accurately identifies capturable cost savings and does not overstate savings.

I find that the Postal Service's decision to discontinue operations at the Redfield post office is unsupported by evidence on the Administrative Record and thus, should be remanded.

Nanci E. Langley